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BEFORE THE ARIZONA CORPORATION COMMISSION**COMMISSIONERS**

BOB STUMP, Chairman

GARY PIERCE

BRENDA BURNS

SUSAN BITTER SMITH

BOB BURNS

ORIGINAL

IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS ANTHEM WATER DISTRICT AND
ITS SUN CITY WATER DISTRICT.

Docket No. W-01303A-09-0343

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
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FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
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ITS ANTHEM/AGUA FRIA
WASTEWATER DISTRICT, SUN CITY
WASTEWATER DISTRICT, AND SUN
CITY WEST WASTEWATER DISTRICT


Docket No. SW-01303A-09-0343

**DMB WHITE TANK, LLC'S
DIRECT TESTIMONY**

DMB White Tank, LLC, through its undersigned counsel, hereby provides notice of
filing the Direct Testimony of Dave Nilsen in the above-referenced matter.

DATED this 6th day of October, 2014.

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2
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9 ORIGINAL and 13 copies of the foregoing
10 filed this 6th day of October, 2014, with:

11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, Arizona 85007

15 COPY of the foregoing mailed this
16 6th day of October, 2014, to:

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS
3 BOB STUMP, Chairman
4 GARY PIERCE
5 BREND A BURNS
6 SUSAN BITTER SMITH
7 BOB BURNS

8 IN THE MATTER OF THE APPLICATION
9 OF ARIZONA-AMERICAN WATER
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11 CORPORATION, FOR A
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WASTEWATER DISTRICT, SUN CITY
WASTEWATER DISTRICT, AND SUN
CITY WEST WASTEWATER DISTRICT

Docket No. SW-01303A-09-0343

21 **Direct Testimony**
22 **of**
23 **Dave Nilsen**
24 **on behalf of DMB White Tank, LLC**
25 **October 6, 2014**

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1 **Q. Please state your name, position, business address, and telephone number.**

2 A. My name is David Nilsen. I am Director of Development for DMB Associates. I am
3 responsible for development activities in the Verrado master planned community, and the
4 operation of subsidiary entities relating to Verrado, including DMB White Tank, LLC
5 (collectively "DMB"). My business address is 7600 E. Doubletree Ranch Road, Suite
6 300, Scottsdale, Arizona 85258-2137. My telephone number is (480) 367-7000.
7

8 **Q. Have you previously testified before the Commission?**

9 A. Yes. I testified in Arizona-American Water Company's water rate case, case number W-
10 01303A-10-0448, and I testified earlier in this case during the de-consolidation phase.

11 **Q. What is the purpose of your testimony?**

12 A. The purpose of my testimony is to describe DMB's continuing interest as an Intervenor in
13 this case, and to express support for Epcor's proposed full consolidation rate proposal as
14 to the proposed effluent rate.

15 **Q. Please describe the business of DMB as it relates to this case.**

16 A. DMB is developing the Verrado master planned community, including contracting for
17 construction of much of the major infrastructure. DMB is a customer of Epcor Water
18 Arizona Inc.'s Agua Fria Wastewater District in that it pays for sewer service and
19 purchases effluent generated by the Verrado Wastewater Reclamation Facility for use on
20 the Raven Golf Club at Verrado golf course and for construction uses.
21

22 **Q. What were DMB's prior positions in this case?**

23 A. DMB has been participating in this case since it started. In an earlier Arizona-American
24 Water Company rate case, the Commission had authorized rates for effluent and non-
25 potable CAP water that were very high compared to rates charged by other providers, and
26 compared to the cost to pump groundwater. DMB's witness, Dan Kelly, in Direct
27 Testimony filed May 3, 2010 described that the effect of the very high rates would be to
28 encourage users to use groundwater in lieu of effluent and CAP water. DMB encouraged

1 the Commission to adopt lower rates that would encourage use of CAP water and effluent
2 for non-potable uses. DMB also asked the Commission in DMB's initial closing briefs to
3 recognize revenues from effluent sales as wastewater district revenues since the
4 wastewater district is responsible for disposing of effluent.
5

6 **Q. Has DMB's prior testimony or positions in this case changed?**

7 A. No.

8 **Q. Does this conclude your testimony in this case?**

9 A. Yes.
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